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Spotlight ON FOREIGN MARKETING



TO U.S. AGRICULTURAL ATTACHÉS AND FAS STAFF MEMBERS

August 19, 1959

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ASSISTANT SECRETARY CLARENCE MILLER RECENTLY RETURNED FROM EUROPE where he visited two trade fairs and discussed briefly with our Attaches in Italy, France and Switzerland the market potential for a variety of products. "I am a strong believer in our market development work," the Assistant Secretary said. "But it is essential that we intensify our efforts to hold old markets and develop new ones if we are to maintain a healthy and growing agriculture." Mr. Miller has also seen some of our work in Asia, particularly in Japan, and participated in the discussions at the Attache Conference in Bogota, Colombia.

"Our market promotion in Latin America is just getting under way," he said, "but from what I heard and saw down there the prospects in some of those countries are excellent."

Commenting on his European trip, the Assistant Secretary was particularly complimentary of the increased industry participation seen at the Lausanne, Switzerland fair. He noted that 15 members of the poultry industry -- men with order books -- paid their own way to the fair and afterwards fanned out over Europe in search of new business. Mr. Miller also complimented the rice industry for its promotional efforts. (See separate items on Lausanne.)

In suggesting improvements in future trade fair operations, the Assistant Secretary stressed the importance of injecting more animation and showmanship into our displays to make them more appealing to visitors. But even more important, he indicated, is the need for greater follow-up efforts on the part of our industry people in expanding markets for commodities shown at the fair.

The Assistant Secretary said that he had heard good reports of our work in other commodities such as cotton, soybeans, and tobacco, and hoped on another trip to get much better acquainted with this work.

U. S. RICE MANUFACTURER PRAISES LAUSANNE EXHIBIT. "USDA and Si Grider (industry representative) are to be extended sincere congratulations. Lausanne exposition very efficiently operated for both buyer's and sellers. Such fairs definitely opening doors with foreign importers."

The above message was sent as a telegram to Dexter Rivenburgh, Rice Marketing Specialist, FAS Grain and Feed Division, by Ben Baldwin, Sales Manager of Uncle Ben's Rice.

Readers are invited to send in similar messages for possible use in future SPOTLIGHTS.

"QUALITY FOOD FROM FARMS OF AMERICA" will be the theme of the U. S. exhibit in Cologne, Germany, September 26-October 4. This year will mark the third time that the Department has participated in the biennial International General Provisions and Fine Foods Exposition -- ANUGA.

It was in the fall of 1955 that the first U. S. market-promotion exhibit ever held abroad was staged in Cologne. This first participation in an International Trade Fair covered 3,000 square feet of space. The second Cologne exhibit in 1957 involved 10,000 square feet. In contrast, the display this year will cover an area of 18,000 square feet, depicting a U. S. farmstead with product displays built into structures typical of American farms.

The list of commodities exhibited will also be longer than the original effort: soybeans and soybean products; frozen packaged foods; fruits and fruit products; wheat and wheat products, and rice and honey. Samples of doughnuts, fruit juice, and toasted soybeans will be given away, and samples of U. S. cooked poultry will be sold to fair visitors.

U. S. POULTRY INDUSTRY TEAM LENDS SUPPORT TO LAUSANNE EXHIBIT.
Our agricultural promotional efforts at the 4th International Congress on Food Distribution were assisted by the presence of 15 U. S. businessmen interested in selling U. S. poultry, poultry products and related items. Represented were exporters of ready-to-cook frozen chickens and turkeys, processors, breeders, equipment manufacturers, wholesalers and distributors. The group made important business contacts in several Western European countries before and after their main mission in Switzerland. This is the first time that a cooperator has promoted the widespread attendance at a fair of industry members "with order books." These businessmen paid their own expenses.

Representing the Department were David L. Hume, Director, FAS Dairy and Poultry Division, and Herbert W. Ford, FAS poultry marketing specialist. Representing the poultry industry were Joseph Parker of Washington, D. C., International Trade Development Committee, and Harold Williams, Chicago, President, Institute of American Poultry Industries.

Following the return of the trade team, Hume indicated that several industry men are considering the possibility of establishing branch offices somewhere on the Continent. "All members of the team," Hume said, "have a much better understanding of the problems and possibilities of marketing our U. S. products in Western Europe. The trip was worthwhile in many respects."

INSPECTION FOR PROTEIN CONTENT OF U. S. WHEAT IS INCREASING.
As of June 30 it has amounted to nearly 15 million bushels since the service was inaugurated by AMS last November (Spotlight, Dec. 3, 1958).

Protein inspections have gained sharply in late months. Importers are increasingly finding the service valuable in assuring delivery of wheat of adequate protein to meet their customer's requirements.

U. S. COTTON PRICES TO BE MORE COMPETITIVE UNDER NEW PRICING SCHEDULE. Starting August 1, U. S. cotton exporters could begin shipping upland cotton under the 1959-60 cotton export program of Commodity Credit Corporation. This program, announced in February, provides that exporters will receive certificates of credit which are usable to purchase CCC-owned cotton.

The current rate of export payment is 8¢ per pound. This compares with the 6-1/2¢ rate in effect for the 1958-59 payment-in-kind program. Legislation enacted by the last Congress established lower prices for CCC cotton sold for unrestricted use. CCC now sells cotton for unrestricted use only and no longer sells specifically for export. The minimum price at which CCC can sell cotton for unrestricted use is 31.24 cents per pound, basis Middling 1" at average location. Taking the payment-in-kind rate into consideration, together with the lower sales price for CCC cotton, U. S. export prices for cotton should approximate 5¢ per pound below prices in effect during the 1958-59 season.

CCC MONTHLY SALES LIST FOR AUGUST 1959: Butter, nonfat dry milk, cheddar cheese, cotton (upland and extra long staple), peanuts, wheat, rice (rough and milled), corn, oats, barley, rye, grain sorghums, dry edible beans, flaxseed, soybeans, burley tobacco, gum rosin, and tung oil.

Principal changes in the list for August are the use of a new minimum pricing basis for cotton; a shift to a 1959-crop basis for setting minimum domestic prices for rice; and the addition of farmers stock peanuts (as available). Pricing method for flaxseed Minneapolis area will be continued on 1958-crop basis during August.

All commodities currently offered for sale by CCC, plus tobacco from CCC loan stocks, are eligible for export sale under the CCC Export Credit Sales Program. The following commodities are currently eligible for barter: Cotton, tobacco, rice (milled), wheat, corn, barley, sorghum grain, soybeans (1957-crop), butter, cheddar cheese, and nonfat dry milk. This list is subject to change from time to time.

Interest rates per annum under the CCC Export Credit Sales program for August 1959 are 4-1/2 percent for periods up to six months, 5 percent for periods from over six and up to 18 months, and 5-1/2 percent for periods from over 18 months up to a maximum of 36 months.

NETHERLANDS CHANGES CLASSIFICATION ON U. S. PARBOILED RICE, resulting in a substantially lower import duty. After a year and a half of discussions with Dutch government officials, Bob Reed at The Hague, with the aid of the U. S. rice industry and FAS rice marketing specialist, has been successful in getting The Netherlands Tariff Commission to permit the entry of U. S. parboiled rice at a three percent duty instead of the 30 percent previously charged. This is a good example of coordinated teamwork between agricultural attache, the rice industry, and the FAS rice marketing specialist.

KITCHEN BUSES STILL HIT IN JAPAN. Since the first kitchen demonstration buses were launched in Hibiya Park, Tokyo, in October 1957, over 10,000 demonstrations of uses of wheat and soybeans in the diet have been presented before some one million persons. Expert nutritionists give practical guidance on cooking balanced meals, snacks and side dishes - all featuring wheat and soybeans. Twelve buses are now carrying this story to the rural people of 46 prefectures of Japan.

"COTTON THROUGH 5,000 YEARS" IS THEME FOR THE NEXT INTERNATIONAL COTTON FASHION SHOW, to be held in Vienna, Austria in September. The purpose of participation in this project, according to Read P. Dunn, Executive Director of the Cotton Council International, is to demonstrate to CCI's cooperators and industry leaders from other principal cotton consuming countries the techniques of using special events as a vehicle to carry an effective sales message on cotton products to the consumers at low cost.

Cotton's wearability and versatility has made a solid niche in the recorded history of mankind. CCI points out, for example, that fine muslins were hand woven in Asia as early as 3,000 B. C.; diaphanous sheers were worn by Egyptian queens as early as 500 B. C., and the mountain peoples of Peru wove heavy, colorful plaids long before the birth of Christ. Many samples have been recovered from ancient hiding places, still supple, colorful and usable despite the ravages of time.

In its Vienna style show CCI and its cooperators will recreate many of the fabrics and fashions which will be representative of eras in the recorded 5000 years of cotton's use. The highlights of this novel promotional idea will be recorded on film for widespread distribution abroad.

1959 FLUE-CURED TOBACCO CROP. Early reports from the flue-cured tobacco areas indicate that the 1959 crop will produce 1,082 million pounds, which is slightly above the poundage produced last year.

Strong campaigns waged by the Department of Agriculture and tobacco trade groups against the planting of undesirable varieties of tobacco and the use of sucker control practices which adversely affect quality seem to have been effective and should do much to improve the smoking qualities of the 1959 crop.

Quality-wise, the crop as a whole is expected to be equally as good or better than last year.

The demand for the thinner domestic grades will probably be strong throughout the season, but the heavier export types should sell within the 1958 price range.

CHILEANS BUY U. S. LIVESTOCK, following U. S. tour by a three-man buying team. Sales totalling about \$75,000 included hogs, sheep, goats, cattle, horses and turkeys. The tour was part of our Livestock Market Development Project designed to help increase exports of U. S. breeding stock, and to upgrade herds in Chile.

Details were handled by Sam Work, attache in Santiago, with the assistance of U. S. livestock breed associations. Dalton Wilson, Chief, Foreign Marketing Branch, Livestock and Meat Products Division, and Fred Lege III, Marketing Specialist, Dairy and Poultry Division, handled U. S. activities of the Chilean team.

U. S. -TYPE CIGARETTES OFTEN HAVE U. S. NAMES as a means of further identification for foreign consumers that the brands are a "little bit better" than other local types which contain no U. S. tobaccos. The theme is carried further in many instances in package design, using color combinations and symbols.

ATTACHMENT: The interesting picture story on FAS market promotion for U. S. poultry in Western Europe, attached to this issue, is the first of a series.

U. S. DEPARTMENT OF AGRICULTURE

Office of Information

Picture Story No. 119

August 1959



Market-Promotion Program

Paying Off ---

U.S. Sells More Poultry To West Europe

U. S. poultry producers have a new and important market for frozen, ready-to-cook poultry meat in Western Europe. In 1958, 22.5 million pounds of U. S. poultry went to Western Europe, compared with only 660,000 pounds 3 years earlier - 34 times as much. U. S. poultry shipments to that area were virtually nonexistent 5 years ago; now it is our biggest poultry export market.

This rapid increase in U. S. poultry exports is mainly due to the joint market-promotion program started 3 years ago by the U. S. Department of Agriculture and the Institute of American Poultry Industries, representing the U. S. poultry industry. They are working together as a team to open new markets for American poultry.

Today, it is a familiar sight to see German, Swiss, Dutch or other European housewives buying U. S. poultry in their local meat markets. And like U. S. housewives, they are pleased with the appearance, quality, and reasonable price of the product. Likewise, European restaurant and hotel operators are trying large, broad-breasted U. S. turkeys. The favorable response from their patrons is bringing repeat orders.

What is behind this phenomenal increase in U. S. poultry sales to Western Europe?

First, the opportunity was there for the U. S. poultry industry to compete. Europe's poultry industry is primarily an egg-producing industry. Poultry meat is largely a byproduct and does not compete successfully with red meat. Per capita consumption of poultry meat averages only about one-seventh that in the United States.

Therefore, high quality, competitive, ready-to-cook American poultry is a natural product for introduction to European consumers.

Second, the USDA and the Institute have teamed up effectively in an extensive market-promotion campaign to take advantage of this potential market. In this joint program, the latest techniques are being used to introduce ready-to-cook poultry to the European trade and consumers, particularly in West Germany, the Netherlands and Switzerland.

This Picture Story shows typical promotional methods being used.



INTERNATIONAL TRADE FAIR EXHIBITS

BN-8567 - Ready-to-cook turkeys and broilers were new to Giulanne Minuto, a home economics counselor in Cagliari, Sardinia, as they were to most European consumers who have visited USDA-Institute exhibits. Here, at the 11th Somples Fair in Cagliari, H. W. Zirolì, IAPI Director for Italy, describes the quality of the products and explains how they are thawed and prepared for cooking.



Millions of European consumers and trade people have admired U. S. ready-to-cook poultry attractively displayed in U. S. exhibits at international trade fairs in Europe during the past 3 years. This, along with other promotion activities, has helped to overcome any hesitancy of European importers at handling a new product - frozen, ready-to-cook poultry.



BN-8571 - U. S. precooked, frozen poultry intrigued London housewives at the British Food Fair. Here, they admire the quality and many advantages offered by these convenience products.

BN-8570 - U. S. frozen poultry displays have attracted thousands of trade people and importers at international trade fairs. Here, Mr. and Mrs. A. J. Mosterton, Singapore Cold Storage Co., Ltd., talk poultry with Joe Porket, IAPI, at the British Food Fair in London. The Singapore firm regularly handles U. S. frozen poultry products, which are in demand by European residents of the area.



BN-8568 - "Ummmm!! good!" was the reaction of these German girls and thousands of others as they had their first opportunity to sample U. S. fried chicken at the International Trade Fairs in Cologne and Munich. The U. S. exhibits offered a piece of chicken, a bun, some fruit, and honey for the equivalent of 25¢. Thousands of Germans took advantage of this introductory offer.

BN-8569 - Buffet-receptions, held in connection with International Trade Fair exhibits acquaint top officials and trade people with U. S. poultry products. Here, Phil Eckert, U. S. Agricultural Attoche, offers Miss Germany of 1958 a sample of fried chicken at a Munich Trade Fair reception. Herb Ford (left), poultry marketing specialist, USDA, also assisted with the promotion activities.



SPECIAL EXHIBITS

Supplementing the larger International Trade Fair exhibit program, IAPI also has been sponsoring local exhibits and promotion activities in various countries to acquaint consumers with U. S. products. Working with leading importers and poultry retailers, the Institute reaches many potential customers with these smaller exhibits.



BN-8559 - European hotel and restaurant owners have had a chance to see and sample U. S. poultry products at buffet-receptions. Here, the manager of the Hotel S-Gravenhof in Zutphen, the Netherlands, admires a large roasted, broad-breasted American turkey. C. E. Sidler, European Director, IAPI, who was in charge of the buffet, pointed out to hotel and restaurant guests the many advantages of turkey and ways of serving it.



BN-8558 - The Institute's exhibit of American turkeys and chickens attracted many Dutch hotel and restaurant owners and thousands of consumers at the CONVO Fair in Zutphen, the Netherlands. Visitors thronged to the U. S. poultry exhibit and tried their luck in a turkey weight-guessing contest. Winners received prize turkeys each day.



BN-8560 - The Willam Post Family enjoy their first taste of U. S. roasted turkey in their home on van Kolstraat St., Zutphen. Leonard van der Veldon, associated with a leading importer of U. S. poultry in Rotterdam, carves the large bird. He also instructed Mrs. Post in its preparation and cooking.



BN-8557 - A Dutch couple visits the U. S. poultry exhibit at the Zutphen Fair. Institute representatives emphasized the high quality and culinary advantages of ready-to-cook poultry.

POULTRY PROMOTION---FROM BUSINESS MAN'S VIEWPOINT

The continual on-the-spot work of U. S. poultry marketing specialists with leading poultry importers on storage, handling, and merchandising has aided the increased sales of U. S. poultry in the European market. U. S. agricultural attaches have worked with local officials and trade leaders to help alleviate any fear that U. S. poultry will harm the local industry. Leading poultry importers, after seeing consumer acceptance of U. S. poultry in the retail market, have stepped up their own promotional efforts.



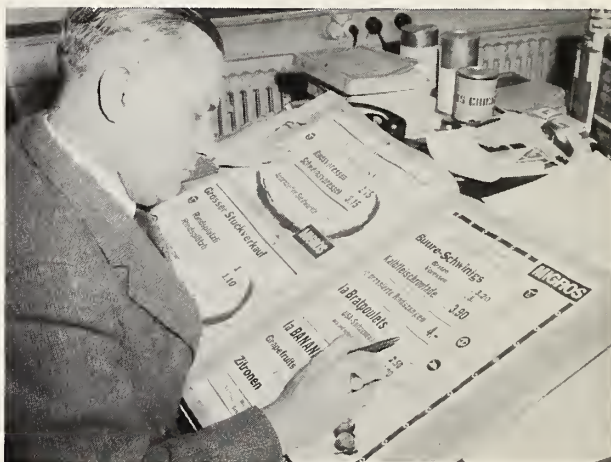
BN-8562-IAPI representatives, located in European offices, continually work with poultry importers to help increase the sales of U. S. poultry. Frans Schmidt (center), IAPI Director for Switzerland and Germany, and a representative of a Swiss importing firm (left) examine U. S. poultry on display in a Zurich store. American poultry is competitive with locally produced and other imported poultry products, and sales are increasing.



Magazines and newspapers may obtain glossy prints of any of these photographs from the Photography Division, Office of Information, U. S. Department of Agriculture, Washington 25, D. C. Others may purchase prints, at \$1.00 each, from the same address.



BN-8564-Swiss housewives like the quality, appearance, and price of U. S. ready-to-cook poultry. In a leading supermarket in Zurich, a housewife examines and buys a ready-to-cook fryer.



BN-8565-MIGROS Stores, large supermarket chain in Switzerland, is one of the leading importers of U. S. ready-to-cook poultry. It uses the latest merchandising and advertising techniques in promoting these products. Here, Max R. Gagliardi, head buyer for MIGROS, looks over a file of recent newspaper ads featuring U. S. poultry.



BN-8563-Barbecued chicken is a favorite with the Swiss. Following a correct trend in the U. S., leading stores offer this delicacy to their customers. Here, a Swiss attendant prepares U. S. broilers on the spit in a store in Zurich.

CORRECTION: In caption BN-8563

back page, line two, substitute

current for correct.

